

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Petition of National Submetering and Utility Allocation Association Pursuant to Public Utilities Code Section 1708.5 to Adopt, Amend, or Repeal Regulations Governing the Provision of Submetered Gas and Electric Service found in Decisions 88651 and 93586.

Petition 04-08-038
(Filed August 26, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING
DIRECTING ADDITIONAL SERVICE OF PETITION
AND SEEKING COMMENTS ON SPECIFIC ISSUES**

On August 26, 2004, the National Submetering and Utility Allocation Association (Association) filed a petition pursuant to Public Utilities Code Section 1708.5 to modify specific tariff requirements adopted in Decision (D.) 88651 and D.93586 related to provision of submetered gas and electric service in existing buildings. Petition (P.) 04-08-038 was served on the service list of Rulemaking (R.) 03-03-017, a proceeding specifically dealing with the calculation of the submetering discount for mobile home parks.

The petition requests that the Commission open a rulemaking to consider rule changes to permit developers of existing master-metered multi-unit buildings to provide submetered electricity and natural gas service to individual tenants. The petition does not seek modification to rules with respect to service

to mobile home parks. As such, a broader set of parties needs to be served. The Association should serve its petition on the following service lists and persons:

Application (A.) 02-05-004; A.02-11-017; A.02-12-027; A.02-12-028;

Randy Sable, State Regulatory Affairs
Southwest Gas
PO Box 98510
Las Vegas, NV 89193-8501

Doug Larson
PacifiCorp
201 South Main, Suite 2300
Salt Lake City, UT 84140

Sid Newsome
Southern California Gas Company
555 West 5th Street, GT 14 D6
Los Angeles, CA 90013

Leslie Spahnn
For California Building Owners and Managers Association
L. Scott Spahnn & Associates
1215 K. St., 17th Floor
Sacramento, CA 95814

The Association shall file and serve proof of service to the above list and R.03-03-017 within 5 business days of service of this ruling.

Rule 14.7(e) of the Commission's Rules of Practice and Procedure instructs that responses on petitions for rulemaking shall be filed within 30 days of the date that the petition was served, unless the assigned ALJ sets a different date. By this ruling, I provide interested persons the opportunity to file and serve their

responses 20 days from the date that the Association serves its proof of service.¹ Replies may be filed and served 10 days after responses are filed.

After reviewing the current master metered and submetered tariffs of investor-owned electric and gas utilities, some utilities have different applicability provisions in their submetering tariffs. Although some are clearly closed, under a plain reading of the applicability language, some appear to remain open. In reality, provisions of the Public Utilities Code that required individual metering of individual units in new multi-family residential buildings has likely resulted in few new customers being added to those tariffs that do remain open. Likewise, this requirement resulted in the closure of master meter tariffs to new customers in approximately 1978. Therefore, the population of existing residential buildings that are master metered should generally be limited to those constructed before 1978. The Association identifies another possible type of building that might be master metered without individual submetering, one that was converted to residential use after its construction. It is unclear from the petition what tariff such customers are currently served under. The Association also requests that we consider allowing building owners and operators to provide submetered service to non-residential customers but does not specify the rule or decision that would need to be changed to accomplish this change.

So that we may fully understand the implications of the Association's petition, we need additional information about the numbers of customers that

¹ PG&E filed a response on September 23, 2004. It should respond to the requested information described herein consistent with the timing provided for responses.

could be affected by the proposed revisions. Investor owned utilities Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas), San Diego Gas & Electric Company (SDG&E), Pacific Gas and Electric Company (PG&E), Sierra Pacific Power Company (Sierra Pacific), PacifiCorp, and Southwest Gas (SWGAs) should identify the number of customers currently served under master meter tariff schedules, and to the extent known, the total number of units located in the buildings of all such customers. To the extent that the utilities have information about what tariffs residential buildings that have converted to residential use after construction are served under, they should provide that information in their response.

Were we to open a rulemaking as requested, it appears that the primary question at issue would be whether to allow building owners to install new submetering equipment and receive service under existing tariffs. It is unclear to me whether it is necessary to open a new rulemaking to decide this question, rather it may be possible to address the merits of the Association's requested relief in this petition. Therefore, I ask that interested persons who respond to the petition address the following issues:

1. If the Commission were to open a rulemaking to consider rule changes that would permit developers of multi-unit facilities to provide submetered electric and gas service by retrofitting existing buildings with submeters and providing service to their tenants, what issues should the Commission consider in the rulemaking other than the question of whether to allow new submetering? For example, what policy and implementation issues should influence the Commission's determination of whether to allow new submetering that should be further explored in a rulemaking?
2. Are there any current tariffs, rules, decisions, or statutes that specify how non-submetered master meter customers must charge their tenants for energy?

3. Are there any current tariffs, rules, decisions, or statutes that prevent a master metered customer from installing submeters and using the information collected for apportioning responsibility for usage on that basis? Given your answer, could master metered customers currently install submeters and use the collected information to bill their tenants for energy usage without Commission action?
4. Should the Commission allow building owners to install new submetering equipment and receive service under existing tariffs? Why or why not? Is your answer the same regardless of whether the service being provided is gas or electricity? Why or why not?
5. Given the Commission's interest in dynamic pricing tariffs for electric service, would allowing building owners to install new electric submetering equipment and receive service under existing tariffs support or inhibit implementation of dynamic pricing tariffs? Explain.
6. Would the types of submeters that would be economic to install also meet requirements for accessibility, testing and evaluation for Department of Weights and Measures purposes? Is your answer the same regardless of whether the service being provided is gas or electricity? Why or why not?
7. What predictions can you make about what, if any, impact could allowing building owners to install new submetering equipment and receive service under existing tariffs have on the number of submetered bill disputes, customer service, and informal and formal complaints made to the Commission.

Therefore, **IT IS RULED** that:

1. The Association shall serve its petition on the service lists and persons identified herein and shall file and serve proof of service to the service lists and persons identified herein and R.03-03-017 within 5 business days of service of this ruling.
2. SCE, SoCalGas, SDG&E, PG&E, Sierra Pacific, PacifiCorp, SWGas shall identify the number of customers currently served under master meter tariff schedules, and to the extent known, the total number of units located in the

buildings of all such customers. To the extent that the utilities have information about what tariffs residential buildings that have converted to residential use after construction are served under, they shall provide that information.

3. SCE, SoCalGas, SDG&E, and PG&E shall, and all other interested parties may, respond to questions 1-7 along with any other comments they wish to make on the petition for rulemaking within 20 days from the date that the Association serves its proof of service.

4. Replies may be filed and served 10 days after responses are filed.

Dated September 30, 2004, at San Francisco, California.

/s/ MICHELLE COOKE

Michelle Cooke
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail, to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Directing Additional Service of Petition and Seeking Comments on Specific Issues on all parties of record in this proceeding or their attorneys of record.

Dated September 30, 2004, at San Francisco, California.

/s/ TERESITA C. GALLARDO
Teresita C. Gallardo

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.